

FY 2010

APPLICATION INSTRUCTIONS FOR

INTERCITY SERVICE DEVELOPMENT OPERATING

PROGRAM

BUREAU OF PASSENGER TRANSPORTATION



I. PROGRAM DESCRIPTION

The purpose of the Michigan Department of Transportation's (MDOT's) Intercity Service Development Operating Program is to enhance intercity travel for the citizens of Michigan by providing operating assistance to private intercity carriers. Routes receiving operating assistance will be the result of a competitive bid process, with the most responsive bidder being selected to provide the service.

The amount of operating assistance available is subject to the level of need, funding availability, and legislative appropriation for the Service Development Operating Program. Program goals, carrier eligibility, and other requirements are detailed in the Intercity Service Development Operating Program Guidelines, dated February 22, 2001, found in Attachment A. The program priorities, in order of importance, are to maintain existing service and expand service that can become operationally self-sufficient.

II. PROGRAM CRITERIA

Operating assistance proposals for service expansion must meet all applicable requirements and will be evaluated using the following criteria:

- A. Ability of the service to connect with the statewide/national intercity network; other intercity carriers; local transit; AMTRAK; and/or airports.
- B. Ability of the routes to serve Michigan communities.
- C. Ridership potential.
- D. If applicable, past experience of the route being proposed.
- E. Quality of the information submitted in the proposal based on completeness, relevance, conciseness, and organization.
- F. Ability of the route to be self-sufficient at the end of the three-year demonstration period.

Technical assistance in preparing the application or answering questions about the Intercity Service Development Operating Program can be obtained by contacting:

Rob Pearson, Project Manager
Michigan Department of Transportation
Bureau of Passenger Transportation
P.O. Box 30050
Lansing, Michigan 48909
(517) 335-2572 or e-mail PearsonR1@michigan.gov

The application is due to the above address by **February 1, 2009**.

III. APPLICATION REQUIREMENTS

The following items are required to complete an application to propose a route for service. For the applicant's convenience, Attachment B contains a check list of the items required.

- A. Title Page - Grant Application Title Page. (Attachment C)
- B. Description of Service to be Provided
 - Service Area - Describe the proposed service area, including the counties and the cities and villages to be served.
 - Service Characteristics - days, route(s), and miles to be operated.
 - Service Area Demographics - population to be served and per-capita income.
 - Include a map of the proposed route(s).
- C. Justification for Proposed Service - Written justification supporting the need for the proposed service.
- D. Service Development Plan - Details actions that will be taken to make the service self-sufficient. This should include estimated revenues and expenses for the three year period.
- E. Proof of Public Notice - After a route has been approved to be bid for operating assistance, evidence that public notice has been given to citizens affected by the proposed service must be provided. Proof of publication in a newspaper of general circulation will be accepted. (Attachment D contains a sample public notice.)

ATTACHMENT A

INTERCITY SERVICE DEVELOPMENT OPERATING PROGRAM GUIDELINES

February 22, 2001

The purpose of the service development operating program is to enhance travel options within the State of Michigan. Operating assistance will be considered as a last resort to maintain existing service or to expand service that can become operationally self-sufficient.

Routes receiving operating assistance will be the result of a competitive bid process, with the most responsive bidder being selected to provide the service. Bids shall be based on a per-mile rate, less revenues.

The service development operating program objectives are as follows:

- Maintain privately operated intercity bus service in Michigan.
- Consider service on new routes proposed by intercity bus operations and/or MDOT.
- Link intercity bus services to other modes of public transportation - air, rail, and local transit, as well as the national bus system.
- Provide an opportunity for all licensed companies to compete for route service subsidies.

Service that is considered for route assistance will be evaluated based on the ability to meet program objectives. An application process with agreed on evaluation criteria will be used. Routes proposed for operating assistance will be evaluated by MDOT. Those routes recommended will be presented to the State Transportation Commission Subcommittee on Intercity Bus Service for its information. After the Subcommittee review is completed, the competitive bid process will commence.

Carrier Eligibility

The carrier must have two years of experience based on either experienced personnel and/or past performance on work of a similar nature. The carrier must demonstrate that the human resources needed to operate the proposed service can be met. The carrier must also demonstrate financial viability to sustain needed maintenance and operating expenses of the proposed service.

The carrier must have a Certificate of Authority issued by MDOT, in accordance with Public Act 432 of 1982, as amended, or a certificate of authority issued by another state regulatory agency where they are domiciled to provide the service. In the case where a carrier has a certificate of authority issued by another state regulatory agency, a certificate of authority would have to be obtained from MDOT upon being selected as the most responsive bidder.

If state owned buses are offered as part of the bid process, the capital program eligibility requirements to secure the needed buses must be met. A carrier that has operated under a certificate of authority issued by another state regulatory agency, for a period of two years, would be eligible.

Capital Requests

Capital requests will be evaluated as part of the annual Intercity Capital Program application process. For capital items see the Application Instructions for Intercity Capital Program.

ATTACHMENT B

FY 2010 INTERCITY SERVICE DEVELOPMENT OPERATING PROGRAM

CHECKLIST

The following must be included with the application for operating assistance under the Service Development Operating Program:

1. Title Page - Grant Application Title Page(Attachment C)
2. Description of service to be provided - service area, service characteristics, service area demographics and a map
3. Justification for proposed service
4. Service Development Plan
5. Proof of Public Notice - (Attachment D): required after a route has been approved to be bid for service.

ATTACHMENT C

TITLE PAGE

**FY 2010
INTERCITY SERVICE DEVELOPMENT OPERATING PROGRAM
GRANT APPLICATION**

1. Name of Applicant
2. Contact Person
3. Address City Zip code
4. Phone Number: Fax Number:
Email Address:
5. Service area covered by this application:

I certify that the information contained in this application is true and complete to the best of my knowledge.

Signature of Transportation Coordinator

Printed/Typed

Date: Title

ATTACHMENT D

SAMPLE PUBLIC NOTICE

<CARRIER NAME>

PROPOSED APPLICATION FOR OPERATING ASSISTANCE

All citizens are advised that <carrier name> has prepared an application for State of Michigan financial assistance as required under Act 51 of the Public Acts of 1951, as amended, for fiscal year 2010. The application is to provide an intercity bus route from (state locations) to meet a transportation need for the general public in (insert names) Counties.

The proposed application is on file at <carrier name><address>, and may be reviewed during a 30 day period ending <date>, between the hours of 8:00 a.m. and 5:00 p.m.

Written comments regarding the application and/or written requests for a public hearing must be received by (insert date). Should a hearing be requested, notice of the scheduled date, time, and location will be provided at least 10 days in advance.

Comments should be mailed to <carrier name and full address>.